

Message Text

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TAGS: BEXP, NATO

SUBJECT: NATO AWACS ACQUISITION PLAN

PLEASE PROVIDE COMMENTS ON FOLLOWING MEMORANDUM DATED
JANUARY 30, 1975 AS SOON AS POSSIBLE:

QUOTE. MEMORANDUM FOR ASSISTANT SECRETARY OF DEFENSE
(INTERNATIONAL SECURITY AFFAIRS)

SUBJECT: NATO AWACS ACQUISITION PLAN

RECENTLY, THE UNITED STATES PRESENTED (ATTACHMENT 1;
STATE 009101) TO THE CNAD QUOTE HIGH LEVEL UNQUOTE
COMMITTEE TWO METHODS BY WHICH THE UNITED STATES WOULD
AGREE TO PARTICIPATE IN THE CONSTITUTION OF AN INTEGRATED
AWACS FORCE. BY MESSAGE (ATTACHMENT 2, USNATO 0377),
THE ASSISTANT SECRETARY GENERAL FOR DEFENSE SUPPORT,
DR. GARDNER TUCKER, ADVISED, AMONG OTHER THINGS, OF HIS
VIEW OF THE DIFFICULTY IN ANY IMMEDIATE ACCEPTANCE OF
EITHER OF THESE ALTERNATIVES. DR. TUCKER COUNSELED DELAY
IN U.S. PRESSURE TO OBTAIN AN EARLY NATO COMMITMENT TO
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AWACS.

THIS MEMORANDUM PROPOSES TWO OTHER APPROACHES NOT YET FULLY EXPLORED WHICH MAY OFFER GREATER ACCEPTABILITY TO

THE NATO NATIONS. I WOULD APPRECIATE THEIR IMMEDIATE CONSIDERATION. IT IS IMPORTANT THAT THE U.S. POSITION WITH REGARD TO AWACS IN EUROPE AND THE DEGREE OF FORMAL NATO COMMITMENT TO AWACS BE CLARIFIED PRIOR TO THIS SPRING WHEN THE DDR AND E, THE SECRETARY OF THE AIR FORCE, THE DCS/R AND D, AND THIS WRITER ARE OBLIGED TO TESTIFY TO THE CONGRESS ON AWACS.

BEFORE OUTLINING MY NEW ALTERNATIVES, LET ME REVIEW WHAT I BELIEVE TO BE THE PRINCIPLE REASONS FOR A NATO DELAY OR DENIAL OF THE USE OF AWACS. IT IS THESE CONSIDERATIONS WHICH I BELIEVE MUST BE COUNTERED IN ORDER TO OBTAIN NATO AGREEMENT ON AWA0S.

1. AWACS, AS PROPOSED TO NATO, IS VERY EXPENSIVE IN THEIR TERMS OF REFERENCE. NATO AWACS WILL COST APPROXIMATELY DOLLARS 2 BILLION (32 AIRCRAFT AT DOLLARS 60 MILLION EACH). IF THIS WERE TO BE PAID OUT OVER A FIVE YEAR PERIOD, IT WOULD REQUIRE EACH NATO COUNTRY TO DOUBLE ITS PRESENT INFRASTRUCTURE COMMITMENT. THESE ADDED COMMITMENTS ASSOCIATED WITH A FAVORABLE AWACS DECISION THUS COME AT A TIME WHEN EACH COUNTRY STRONGLY WISHES TO REDUCE ITS EXPENDITURE.

2. THE INDIVIDUAL NATO COUNTRIES PROBABLY CANNOT OBTAIN PARLIAMENTARY APPROVAL FOR ANY LARGE COMMITMENTS FOR AWACS WHEN THE FUNDS INVOLVED ARE NEITHER TO BE EXPENDED WITHIN THAT COUNTRY NOR ARE OFFSETS PLANNED BY CORRESPONDING IN-COUNTRY PURCHASES BY THE U.S.

3. THE PROCESS OF NEGOTIATING ANY NATO INFRASTRUCTURE-LIKE ORGANIZATION WILL BE A LONG, IF NOT INTERMINABLE, PROCEDURE. SEVERAL OF THE COUNTRIES (CANADA, FRANCE) MAY WELL NOT COMMIT IN PRINCIPLE AT ALL UNTIL AFTER THEY SEE THE NATURE OF A PROPOSED OFFSET PACKAGE. ALMOST SURELY WE CANNOT GET SUCH AN ACTION SOON ENOUGH TO BE UNCLASSIFIED

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HELPFUL WITH OUR HEARINGS.

ALTERNATE PROPOSAL I

A U.S. OWNED AND OPERATED NATO FORCE - NATO SHARE OF COST TO BE PAID FOR IN FULL BY INCREASED FOREIGN SUPPORT TO U.S. FORCES BASED OVERSEAS.

A FORCE OF ABOUT 15 AWACS BASED IN EUROPE AND SUPPORTED BY A SURGE AUGMENTATION FROM THE U.S. IN THE EVENT OF WAR COULD, I BELIEVE, REPRESENT AN ADEQUATE CAPABILITY.

SUCH A FORCE WOULD COST ABOUT DOLLARS 1.0 BILLION TO PROCURE. ONCE IN PLACE IN EUROPE, ITS MAINTENANCE COULD BE INFRASTRUCTURE SUPPORTED. YEARLY COSTS OF AMMORTIZING THIS U.S. OWNED BUT NATO DEDICATED AWACS HARDWARE CAPABILITY WOULD BE APPROXIMATELY DOLLARS 100 MILLION PER YEAR IF SPREAD OVER 15 YEAR USAGE. IN THIS ALTERNATIVE, THE INDIVIDUAL COUNTRY SHARES OF THE COST COULD BE PAID BY THE PARTICIPATING NATO COUNTRIES THROUGH PROVIDING THEIR OWN NATIONAL GOODS AND SERVICES IN SUPPORT OF U.S. FORCES BASED IN EUROPE. THIS SCHEME COULD HAVE THE FOLLOWING ADVANTAGES:

1. NATO'S TOTAL COST WOULD BE REDUCED BY THE SMALLER FORCE SIZE PROPOSED. THE REDUCED NATO AWACS FORCE WOULD BE ACCEPTABLE IN LIGHT OF THE AUGMENTATION POSSIBLE FROM U.S. AWACS ASSETS, DEPLOYABLE IN TIMES OF EMERGENCY.
2. ANOTHER KIND OF INSTANT COST REDUCTION TO THE NATO NATIONS SINCE THE NATO NATIONS COULD PRESUMABLY AMMORTIZE THEIR EXPENSES EVENLY OVER A NUMBER OF YEARS AND NOT BE REQUIRED TO ENDURE THE FRONT END LOADING OF A NATO OWNED PURCHASE.
3. THE INDIVIDUAL NATO NATIONS BALANCE-OF-PAYMENT WOULD NOT BE AFFECTED SINCE EACH NATION IN THIS SCHEME WOULD PROVIDE PAYMENT IN ITS OWN GOODS OR SERVICES AND WOULD NOT BE REQUIRED TO SEND CURRENCY OVERSEAS.

4. FOR THE U.S. IT WOULD REPRESENT A SUBSTANTIAL REDUC-

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TION IN GOLD FLOW OVERSEAS DUE TO THE CONSEQUENT DIMINUTION OF FUNDS SPENT OVERSEAS.

5. FOR THE U.S. IT OFFERS A WAY TO PROVIDE ADDITIONAL JOBS IN THE U.S. ASSOCIATED WITH THE BUILDING OF U.S. AIRCRAFT COMMITTED BY US TO SUPPORT OF NATO.
6. FOR THE U.S. IT ENSURES CONTROL AND STANDARDIZATION OF THE NATO AWACS ALLOWING USE OF U.S. FORCE SPECIFICATIONS AND STANDARD U.S. OPERATIONAL PROCEDURES IN EUROPE.
7. FOR THE US AND NATO TOGETHER IT OFFERS A MUCH SIMPLER AND LESS PAINFUL METHOD FOR OFFSET AND HENCE A POTENTIALLY MORE RAPID WAY TO OBTAIN A NEAR TERM NATO COMMITMENT.

ALTERNATIVE PROPOSAL II

ASSEMBLY IN EUROPE OF U.S. PROVIDED RADAR INTO USED SURPLUS 707 AIRFRAMES CONTRIBUTED AND MODIFIED BY THE NATO COUNTRIES.

SINCE OVER ONE-HALF OF THE AWACS COSTS ARE NOW ASSOCIATED WITH CONSTRUCTION OF NEW AWACS 707 AIRFRAMES AND THE INTEGRATION OF THE RADAR INTO THESE AIRFRAMES, A REAL OPPORTUNITY EXISTS FOR ECONOMIC OFFSET BY USING COMMERCIAL AIRFRAMES ALREADY BUILT AND PURCHASED BY THE NATO COUNTRIES AND BY MODIFYING THESE AIRFRAMES IN EUROPE TO TAKE THE NECESSARILY U.S. BUILT RADAR.

ALTHOUGH AIRFRAMES OF EXACTLY THE RIGHT KIND MAY NOT BE IN MOTHBALLS, THOSE THAT ARE IN MOTHBALLS MAY BE ABLE TO BE TRADED WITHIN THE NATO COMPLEX TO PROVIDE AIRFRAMES OF ADEQUATE SIMILARITY AND CAPABILITY. UNDER THESE CIRCUMSTANCES, PROVISION OF THE RADAR BY THE U.S. COULD BE THE APPROPRIATE U.S. SHARE OF NATO OWNED AND OPERATED FORCE. WITHIN NATO THE OPPORTUNITY TO PROVIDE AIRCRAFT, ENGINES, SPARES MODIFICATION, ETC., COULD ALSO PROVIDE A RELATIVELY EASY WAY TO PROVIDE THE OFFSETS REQUIRED AT A REDUCED OUT-OF-POCKET COST.

INSTANT COSTS WOULD BE REDUCED SINCE MUCH OF THE SUNK UNCLASSIFIED

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COSTS OF ALREADY PURCHASED SURPLUS AIRCRAFT COULD BE APPLIED TO THE AWACS FORCE BY MANY OF THE NATO COUNTRIES.

IT MIGHT ALSO BE POSSIBLE TO USE ROLLS ROYCE ENGINES FOR THE NATO AWACS FLEET IN THE EVENT THAT RE-ENGINEING IS NECESSARY IN ORDER TO USE THE AVAILABLE AIRFRAME.

YOUR PROMPT EVALUATION OF THESE SCHEMES WOULD BE APPRECIATED.

--/S/WALTER B. LABERGE
-- ASSISTANT SECRETARY
-- RESEARCH AND DEVELOPMENT

ATTACHMENTS

CC: SECRETARY PLUMMER
-- SECRETARY SHRONTZ
-- GENERAL PHILLIPS, AFSC
-- GENERAL EVANS, AF/RD

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